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In Mackerel's Plunder, Hints of Epic Fish Collapse

By MORT ROSENBLUM and MAR CABRA

TALCAHUANO, Chile — Eric Pineda, a dock agent in this old port south of Santiago, peered deep into the Achnar's hold at a measly 10 tons of jack mackerel — the catch after four days in waters once so rich they filled the 17-meter fishing boat in a few hours.

Mr. Pineda, like everyone here, grew up with the bony, bronze-hued fish they call jurel, which roams in schools in the southern Pacific.

"It's going fast," he said as he looked at the 57-foot boat. "We've got to fish harder before it's all gone." Asked what he would leave his son, he shrugged: "He'll have to find something else."

Jack mackerel, rich in oily protein, is manna to a hungry planet, a staple in Africa. Elsewhere, people eat it unaware; much of it is reduced to feed for aquaculture and pigs. It can take more than five kilograms, more than 11 pounds, of jack mackerel to raise a single kilogram of farmed [salmon](#).

Stocks have dropped from an estimated 30 million metric tons to less than a tenth of that in two decades. The world's largest trawlers, after depleting other oceans, now head south toward the edge of Antarctica to compete for what is left.

An eight-country investigation of the fishing industry in the southern Pacific by [the International Consortium of Investigative Journalists](#) shows how the fate of the jack mackerel may foretell the progressive collapse of fish stocks in all oceans.

In turn, the fate of this one fish reflects a bigger picture: decades of unchecked global fishing pushed by geopolitical rivalry, greed, corruption, mismanagement and public indifference. Daniel Pauly, an eminent University of British Columbia oceanographer, sees jack mackerel in the southern Pacific as an alarming indicator.

"This is the last of the buffaloes," he said. "When they're gone, everything v
Delegates from at least 20 countries will gather Monday in Santiago for an
to seek ways to curb the plunder.



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The South Pacific Regional Fisheries Management Organization was formed in 2006, at the initiative of Australia and New Zealand along with Chile. Its purpose was to protect fish, particularly jack mackerel. But it took almost four years for 14 countries to adopt 45 interim articles aimed at doing that. Only six countries have ratified the agreement.

Meanwhile, industrial fleets bound only by voluntary restraints compete in what amounts to a free-for-all in no man's water at the bottom of the world. From 2006 through 2011, scientists estimate, jack mackerel stocks declined 63 percent.

The fisheries convention needs eight signatures to be binding, including one South American coastal state. Chile — prominent in getting the group together — has yet to ratify.

The South Pacific fisheries organization decided at the outset that it would assign future yearly quotas for member countries based on the total annual tonnage of vessels each deployed from 2007 to 2009.

To stake claims, fleets hurried south. Chinese trawlers arrived en masse, among others from Asia, Europe and Latin America.

One newcomer was at the time the biggest fishing vessel afloat, the 14,000-ton Atlantic Dawn, built for Irish owners. Parlevliet & Van der Plas of the Netherlands bought it, renaming it the Annelies Ilena. Such "supertrawlers" chase jack mackerel with nets that measure up to 25 meters by 80 meters at the opening. When they are hauled in, fish are pulled into the hold by suction tubes, like giant vacuum cleaners.

Gerard van Balsfoort, president of the Netherlands-based Pelagic Freezer-Trawler Association, which represents nine companies and 25 vessels flagged by states in the European Union, confirmed the obvious: The Dutch, like others, went to mark out territory.

"It was one of the few areas where still you could get free entry," Mr. van Balsfoort said.

"It looked as though too many vessels would head south, but there was no choice," he added. "If you were too late in your decision to go there, they could have closed the gate."

By 2010, the South Pacific fisheries organization tallied 75 vessels fishing in its region.

The mackerel rush also attracted the leading commercial player, the Pacific Andes International Holdings: PacAndes. The company, based in Hong Kong, spent \$100 million in 2008 to rebuild a nearly 230-meter, 50,000-ton oil tanker into a floating factory called the Lafayette.

The Russian-flagged Lafayette sucks fish from attendant trawlers with a giant hose and freezes them in blocks. Refrigerated vessels — reefers — carry these to distant ports.

The Lafayette alone has the technical capacity to process 547,000 metric tons a year, if it operated every day.

In September 2011, scientists for the fisheries organization concluded that an annual catch beyond 520,000 metric tons could further deplete jack mackerel stocks.

One of those scientists, Cristian Canales of the Chilean fisheries research center, Instituto de Fomento Pesquero, said a safer limit would be 250,000 metric tons. Some dissenting experts say the only way to restore the fishery is to impose a total ban for five years.

Subsidized Overfishing

Trachurus murphyi, Chilean jack mackerel, are fished west of Chile and Peru, along a 6,500-kilometer, or 4,100-mile, coastline, to about 120 degrees longitude, halfway to New Zealand.

They range widely in open waters, eating plankton and small organisms, and are food for bigger fish.

The U.N. Food and Agriculture Organization says that global fishing fleets “are 2.5 times larger than needed.” That estimate was based on a 1998 report; since then, fleets have expanded.

Much of that overcapacity has been driven by government subsidies, particularly in Europe and Asia, experts say.

A landmark report by Rashid Sumaila, along with Dr. Pauly and others at the University of British Columbia, estimated total global subsidies in 2003 — the latest available data — at \$25 billion to \$29 billion.

From 15 percent to 30 percent of the subsidies went toward paying for ships’ fuel, while another 60 percent went to increase size and upgrade equipment.

The study calculated China’s subsidies at \$4.14 billion and Russia’s at \$1.48 billion.

A report by the environmental group Greenpeace issued in December 2011 looked hard at the Pelagic Freezer-Trawler Association, the Netherlands-based group. It found that it had received fuel tax exemptions, mostly from the Dutch government, of between €20.9 million and €78.2 million, or \$27.2 million and \$101.7 million, from 2006 to 2011.

Mr. van Balsfoort, the president of the group, did not dispute the subsidy numbers but said that fuel tax exemptions were routine in the fishing industry.

Meanwhile, Unimed Glory, a subsidiary of the Greek company Laskaridis Shipping, operates three trawlers in the southern Pacific. They are owned in Greece, a member of the

European Union. But, flagged in the Pacific island nation of Vanuatu, they operate outside the control of Brussels and can catch more jack mackerel than a share of the E.U. quota would allow.

Per Pevik, Unimed Glory's Norwegian manager, said in an interview that because Vanuatu did not meet E.U. sanitary standards, his fish could not be sold in Europe. Instead he sells jack mackerel to Africa. Asked whether the European authorities objected to his Vanuatu flags, he said, "No, they don't bother me about that."

In the southern Pacific, after years of aggressive fishing, industrial fleets find fewer and fewer jack mackerel. E.U.-flagged vessels collectively caught more than 111,000 metric tons of jack mackerel in 2009; the next year, the ships hauled in only 60 percent as much; by last year, vessels reported just 2,261 tons.

Looking back, Mr. van Balsfoort said vessels fished too hard at a time when jack mackerel stocks were on a natural downward cycle. "There was way too big an effort in too short a time," he said. "The entire fleet," including the Pelagic Freezer-Trawler Association, "has to be blamed for it."

Inside PacAndes

PacAndes's 50,000 gross ton flagship, the Lafayette, is registered to Investment Company Kredo in Moscow and flies a Russian flag. Kredo — via four other subsidiaries — belongs to China Fishery Group in Singapore, which, in turn, is registered in the Cayman Islands.

China Fishery and Pacific Andes Resources Development belong to Pacific Andes International Holdings, based in Hong Kong but under yet another holding company registered in Bermuda.

PacAndes, which is publicly traded on the Hong Kong stock exchange, reports more than 100 subsidiaries under its various branches, but a nearly impenetrable global network includes many more affiliates.

One of its major investors is the U.S.-based Carlyle Group, which purchased \$150 million in shares in 2010.

Ng Joo Siang, 52, a jovial Louisiana State University graduate who is hooked on golf, runs PacAndes like the family business it is despite its public listing.

His Malaysian Chinese father moved the family to Hong Kong and started a seafood business in 1986. When the executive board meets in its no-frills conference room overlooking the harbor, the father's portrait gazes down at his widow, who is chairwoman,

his three sons and a daughter.

“My father told me the oceans were limitless,” Mr. Ng said in an interview, “but that was a false signal. We don’t want to damage the resources, to be blamed for damage. I don’t think our shareholders would like it. I don’t think our children would like it very much.”

But he snorted when asked about the limit of 520,000 metric tons for jack mackerel recommended by the South Pacific Regional Fisheries Management Organization.

“Based on what, on this?” he replied, thrusting a moistened finger into the air as if checking the wind.

“There is no science,” he said. “The S.P.R.F.M.O. has no science. How much money has Vanuatu or Chile or whoever put in to understand about fisheries?”

Chile, in fact, spent \$10.5 million in 2011 on Instituto de Fomento Pesquero — one-fourth of its fisheries budget. In the intrigues of fish politics, PacAndes sides with Peru, where it operates 32 vessels and has a share of the anchoveta quota, an anchovy-sized sardine and crucial source of fishmeal for aquaculture.

Power Plays in Chile and Peru

The jack mackerel crisis has hit hardest in Chile, where industry leaders and the authorities admit to serious excesses during the unregulated years in what they call “the Olympic race.”

In 1995 alone, Chileans fished more than four million tons. That is eight times the amount S.P.R.F.M.O. scientists said could be landed in a sustainable way in 2012. From 2000 to 2010, Chile landed 72 percent of all jack mackerel in the southern Pacific.

“The slaughter was tremendous, unbelievable,” said Juan Vilches, who scouts fish for a large company. “No one had any idea of limits,” he added. “Hundreds of tons were thrown overboard if nets came up too full for the hold. Boats came in so loaded that fish were squashed, their blood so hot it actually boiled.”

Reporters and staff of the International Consortium of Investigative Journalists, working with the Chilean investigative journalism center Ciper, traced how eight groups with a near monopoly had pressured the Chilean government to set quotas above scientific advice. Six of these groups are controlled by powerful families. And, together, the eight of them own rights to 87 percent of Chile’s jack mackerel catch.

Eduardo Tarifeño, a marine biologist at the University of Concepción, said that Chile now had only sardines in relative abundance.

“We have no more jack mackerel or hake or anchoveta,” he said. “Fisheries that produced a million or more tons a year have simply run out from overfishing by big companies.”

He added: “If we don’t save jack mackerel today, we won’t be able to do it later. We need a total ban for at least five years.”

At the fisheries secretariat in Valparaiso, Italo Campodonico said: “As a marine biologist, I have to agree. We should have a five-year ban. But as a civil servant, I must be realistic. For economic and social reasons, it won’t happen. Outsiders can go fish in other waters. We can’t.”

Peru is the world’s second-largest fishing nation after China. Its biggest port, Chimbote, lands more fish than the entire Spanish fleet catches in a year.

Here the issue is not just the overfishing of jack mackerel but also anchoveta.

While fishmeal exports are big business in Chile — about \$535 million annually — in Peru they are three times as big: \$1.6 billion a year.

Working with the investigative reporting group IDL-Reporteros in Lima, the International Consortium of Investigative Journalists obtained records from the official database of catches. Analysis of more than 100,000 weighing records from 2009 to the first half of 2011 found that most of Peru’s fishmeal companies systematically cheated on half of the landings — in some cases, underreporting catches by 50 percent.

In all, at least 630,000 metric tons of anchoveta — worth nearly \$200 million in fishmeal — “vanished” in the weighing process over two and a half years.

Saving Fish or Industry?

Roberto Cesari, the European Union’s chief envoy to the S.P.R.F.M.O., which meets next week, said he expected ratification of its conditions only in 2013 — seven years into precipitous decline for jack mackerel.

The S.P.R.F.M.O. cut voluntary quotas 40 percent for 2011, but China, among others, opted out. Beijing later agreed to reduce by 30 percent.

Mr. Cesari said the European Union tries to exert pressure, but its clout is limited. China and Russia, he noted, “are giants.”

Bill Mansfield, a New Zealand international lawyer who has chaired the S.P.R.F.M.O. since 2006, said that voluntary restraints had not protected fish stocks and that it was time to put the convention into force. The Santiago meeting must limit the 2012 catch to 390,000 metric tons or less, he said.

Martini Gotje, a Dutch expatriate who was a crew member aboard the Greenpeace Rainbow Warrior when French agents sank it in Auckland harbor in 1985, works from the idyllic island of Waiheke, near Auckland. Like other activists, he mostly faults overcapacity — legal and yet devastating.

The first priority, he said, should be saving fish, not the fishing industry. “The Lafayette raised the game to an incredible level, and Holland is very much involved,” he said. “There are way too many boats, just simply way too many boats.”

In the end, argues Dr. Pauly, the oceanographer, this global trend will not change unless a major power — the European Union or the United States — takes firm action. “Somebody has to take the high ground,” he said, “and others will follow.”

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